News Item Captioned "Banks fail to cash in on World Bank Scheme"

*5 SHRI PRAMOD MAHAJAN
SHRI VIREN J SHAH

Will the Minister of FINANCE be pleased to state

(a) whether Government's attention has been drawn to the news item which appeared in 'Business and Political Observer' dated November 27, 1990 under the caption "Banks fail to cash in on World Bank Scheme" to the effect that only $ 53 million worth of assistance out of $ 90 million of assistance offered under the World Bank scheme for promoting investments on upgrading and modernising technology of export related engineering industries could be distributed through the State Bank of India, Bank of Baroda, Canara Bank and Punjab National Bank,

(b) if so, what are the reasons for such a poor performance by the commercial banks, especially Bank of Baroda and Punjab National Bank as bulk of the earmarked funds to be utilised under the scheme, expire in December this year, and

(c) what steps Government propose to take in the matter?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) (a) Of the loan amount of $ 90 million meant for promoting investment on upgrading and modernising technology of engineering export industries, $ 70 million was earmarked for being routed through 4 commercial banks viz State Bank of India, Bank of Baroda, Canara Bank, and Punjab National Bank There is no bankwise allocation of this loan amount The total allocated amount of $ 70 million to the 4 commercial banks has been fully committed

(b) and (c) Do not arise

Austerity Measures taken by the Government

*6 SHRI SANTOSH BAGRODIA
SHRI BEKAL UTSAHI

Will the Minister of FINANCE be pleased to state.

(a) what are the details of fresh austerity measures taken by Government to improve the economy, item-wise, and

(b) what will be the total financial gain by all these measures, item-wise?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) With a view to effect utmost economy in Government expenditure instructions have been issued from time to time to all Ministries/Departments of Government to reduce expenditure on various items A copy of the latest instructions issued on November 30, 1990 regarding *inter-alia* reduction in expenditute on telephone, Gasoline, elecricity, travel, all forms of entertainment including lunches, dinner refreshment, purchase of new vehicles etc is placed on the Table of the House (*See* below) As such items of expenditure are not compiled centrally it is difficult to quantify the financial impact of these measures item-wise.

MOST IMMEDIATE

No. 7(44)-E (Coord)/90

Government of India

Ministry of Finance

Department of Expenditure

New Delhi, dated the 30th Nov, 1990

OFFICE MEMORANDUM

Subject: *Economy in expenditure*

In order to contain the budgetary deficit, it has been decided to take the following measures with immediate effect:

(a) All entertainments including lunches, dinner and refreshment etc, at Government cost, except one lunch or dinner for foreign delegations/ distinguished foreign visitors are to be stopped.

(b) The practice of holding meetings, conferences etc., at hotels is to be discontinued forthwith.

(c) The meetings and conferences to be held at headquarters may invariably be so arranged as to minimise the expenditure on participation and travel.

(d) Expenditure on telephones may be reduced by 10 per cent with reference to the average for the period September-November, 90

(e) Expenditure on consumption of electricity may be reduced by 10 % of all offices and public buildings with reference to the consumption during the corresponding month of the previous year All ostentatious and decorative lighting may be stopped.

(f) The instructions contained in this Ministry's O M.No. F 3(3)-E II (A)/90 dated 27th June, 90, 22nd August, 90 and 24th August, 90 regarding 20 per cent reduction in the consumption of petrol and diesel etc, may be strictly enforced

(g) There will be no new purchase of vehicles until 31-3-1991.

2. All Ministries/Departments may also ensure adherance to these economy measures in their Attached/Subordinate Offices, Public Sector Undertakings, Autonomous and Statutory Bodies whether wholly or partially funded by Government.

3 These instructions issue with the approval of Finance Minister

(P. G. Lele)

Joint Secretary to the Govt. of India

All Ministries/Departments of the Govt of India

Copy to all F As. (By name).

Review of Pepsi Project

*7 SHRI HARVENDRA SINGH HANSPAL:

SHRI KRISHNA KUMAR BIRLA.

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state.

(a) whether Government have recently set up a Committee to review the functioning of the multi-national Pepsi Project;

(b) if so, what is the composition of the committee and by when it is likely to submit its report to Government;

(c) whether the company is functioning in the planned direction at present; and

(d) what further action Government propose to take to ensure that Pepsi functions as a rural-oriented industry?

THE MINISTER OF TEXTILES AND FOOD PROCESSING INDUSTRY (SHRI HUKUMDEO NARAYAN YADAV): (a) to (d) M/s. Pepsi Foods Private Limited have been granted a Letter of Intent for the manufacture of